GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:7
ANSWERED ON:18.07.2016
Liberalisation of FDI Policy
Chavan Shri Ashok Shankarrao;Mahtab Shri Bhartruhari

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has recently relaxed the Foreign Direct Investment (FDI) rules and opened up multiple sectors including Defence, Civil Aviation, Food Retails and Private Security Firms in the country;

(b) if so, the details thereof, Sector-wise along with the objective behind this move and the total quantum of FDI expected therefrom;

(c) whether there have been concerns/ objections raised over liberalisation of FDI regime in the country and if so, the details thereof along with the reaction of the Government thereto; and

(d) whether the said move is likely to affect domestic companies in these sectors and if so, the corrective steps taken by the Government in this regard?

Answer

???????? ??? ?????? ???????????? (????????? ??????)(??????? ??????? ???????)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a) to (d): A Statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 7 FOR ANSWER ON 18TH JULY, 2016

(a) & (b): Yes Madam. With a view to liberalise and simplify the FDI policy so as to provide ease of doing business in the country and increase foreign investment inflows, the Government has recently liberalised FDI policy provisions on various sectors vide Press Note No. 5 (2016 Series) on 24th June, 2016. A copy of the Press Note is at Annexure.

Global investors normally take time to assess a new policy and its implications in the context of a particular market before making investment. Further, Government does not fix targets for FDI inflows as FDI is largely a matter of private business decisions.

(c): Review of FDI policy is an ongoing process and changes are made in the FDI policy in a calibrated manner after having intensive consultations with stakeholders including concerned Ministries/ Departments, apex industry chambers and other organizations. In addition, Government regularly receives suggestions/views from various stakeholders and public on liberalization of FDI regime. These are examined in the Ministry and thereafter suitable action is taken. Some of these suggestions/views form as valuable input for FDI policy.

(d): Foreign investments supplement and complement domestic capital. Further, such investments in various sectors are expected to bring international best practices and latest technologies in the country.

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